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DIVISION OF BANKING AND FINANCIAL INSTITUTIONS



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Montana Mortgage Loan Originator Professional Requirements under SAFE

The Montana Mortgage Broker, Mortgage Lender, and Mortgage Loan Originator Licensing Act, SB 351 was enacted into law on July 1, 2009 in order to bring the mortgage licensing laws of the State of Montana into compliance with the federal *Secure and Fair Enforcement for Mortgage Lending Act of 2008* ("SAFE Act"). The SAFE Act requires all states to pass mortgage licensing laws and regulations that meet or exceed certain national standards. More information about the SAFE Act can be found here: [CSBS SAFE Mortgage Licensing Act of 2008](#).

Under SB 351, all individuals meeting the definition in the law of a mortgage loan originator (MLO) must meet new licensing requirements that are in compliance with the SAFE Act.

In order to comply with the new law, all individuals acting as mortgage loan originators must do the following:

MU4 filing with Montana

An individual whose license as a MLO expires on April 1, 2010, must have filed or file a Form MU4 through NMLS with Montana by March 1, 2010. See [NMLS | Home](#)

An individual whose license as a MLO expires on June 30, 2010 must have filed or file a Form MU4 through NMLS with this agency by May 31, 2010. See [NMLS | Home](#)

The SAFE Mortgage Loan Originator Test

All mortgage loan originators must pass the SAFE Mortgage Loan Originator Test, which is comprised of two components: a national component and a state component. MLOs must pass each component with a score of 75% or higher.

National Component

Mortgage loan originators whose licenses expire on June 30, 2010 must pass the National Component by May 31, 2010.

Mortgage loan originators whose licenses expire on April 1, 2010 must pass the national component by March 1, 2010.

Individuals must pass the national component before filing Form MU4 through NMLS.

The national component is currently available to take. The Division strongly encourages all MLOs to take the national component as soon as possible. An individual can go on NMLS and establish a base record at any time. Once you establish a base record, you will receive a unique identifier. You will not be charged a licensing fee until you request licensure from a state. Once you have a unique identifier, you can apply to take the national component by creating and paying for a test enrollment. A passing score is 75%. If you do not pass the test, you must wait 30 days to retest. After the initial test-taking, an individual who fails three successive tests may not retest for 6 months from the date of the last test. For details see: [NMLS | Testing](#)

If you have already passed the national component of the SAFE Mortgage Loan Originator Test and your passing score is part of your MLO record in NMLS, you do not need to take it again.

State Component

The state component is not yet available to take. You will be notified when the test is available to take.

Pre-Licensure Education Requirements

New applicants for a MLO license must complete 20 hours of pre-licensure education under SB 351. Note that the pre-licensure education must be in specific areas. See [NMLS | Education](#)

Mortgage loan originators whose licenses expire June 30, 2010 who have completed 20 or more hours of Montana approved continuing education by November 1, 2009 may be certified by Montana as having fulfilled the pre-licensure requirements.

An individual licensed by Montana as a mortgage loan originator whose license expires on June 30, 2010 who has NOT completed 20 hours of Montana approved continuing education is strongly encouraged to complete additional Montana approved credit hours to reach 20 hours by November 1, 2009. Montana will **not** be allowed to make a partial certification of credit hours. If an individual has taken fewer than 20 Montana approved credit hours they cannot be certified. That individual would need to complete 20 hours of Montana approved pre-licensing education in order to be eligible to be licensed. For this reason, any individual who has fewer than 20 hours of Montana approved continuing education credit hours is encouraged to complete additional Montana approved credit hours by November 1, 2009 in order to reach 20 hours.

Individuals not eligible for certification are required to complete 20 hours of NMLS approved pre-licensure education by March 1, 2010 (for individuals whose license expires on April 1, 2010) or May 31, 2010 (for individuals whose license expires on June 30, 2010).

If you have already satisfied 20 hours of NMLS approved education in any state or have had your education certified by another state, your education requirement has been fulfilled.

After November 1, 2009, only NMLS approved courses will be accepted to meet state education requirements in Montana. No other courses after November 1, 2009 will be accepted as meeting the education requirements.

Criminal Background Check

All individuals acting as mortgage loan originators must authorize a fingerprint background check through NMLS for the purpose of conducting a national criminal history background check through the Federal Bureau of Investigation on or before the date you become licensed through NMLS by Montana. This requirement applies to all individuals, regardless of whether you are currently licensed in Montana or if you have previously submitted fingerprints for licensure. See [NMLS | Background Check](#)

NMLS will implement a comprehensive process which includes electronic fingerprint capture with locations throughout Montana.

The details will be sent in a separate correspondence at a later date.

Credit Report

All mortgage loan originators must provide authorization to obtain a credit report through NMLS. The Montana Division of Banking and Financial Institutions will review the credit report provided as part of its determination of financial responsibility for each mortgage loan originator. See [NMLS | Background Check](#)

NMLS will implement a comprehensive process to obtain the required authorization.

The details will be sent in a separate correspondence at a later date.

Continuing Education Requirements

In order to renew a Montana license for 2011, all mortgage loan originators must complete **12 hours** of NMLS approved continuing education (CE) during calendar year 2010. See [NMLS | Education](#)

CE must include:

- 3 hours of Federal law and regulations;
- 2 hours of ethics that shall include instruction on fraud, consumer protection, and fair lending issues; and
- 2 hours of training related to lending standards for the nontraditional mortgage product market.

The remaining 5 hours may be in any area the MLO selects.

Company Sponsorship of MLO Licenses

The license status of all MLOs will be considered "inactive" until the licensed MLO is sponsored by a licensed or registered company. Sponsorship requests are submitted by the company through NMLS.

Surety Bond

Every MLO must be covered under a surety bond or net worth requirement that reflects the dollar amount of loans originated on an annual basis.

Satisfaction of this requirement can be met by one of the following:

Companies sponsoring a state-licensed mortgage loan originator must provide evidence of surety bond meeting Montana requirements, or meet the net worth requirement of Montana law, as part of their company license or registration.

MLOs who are not employed by a state-licensed company must provide an individual surety bond at the time of submitting your Form MU4 through NMLS.

NMLS Call Report For Companies

SB 351 requires that every company employing state-licensed MLOs must file a NMLS Mortgage Call Report through the NMLS. The NMLS Mortgage Call Report is a statement of condition on the company and its operations including financial statements and production activity volumes reported on a per state basis. Additional information concerning the NMLS Mortgage Call Report will be provided at a later date.

For information and instructions regarding the Professional Requirements listed below please visit the NMLS Resource Center.

For state specific instruction, please visit Division of Banking and Financial Institutions.